

# ALERT!

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## ALERT #103

TO: Department Controllers, Fiscal Officers and Other Interested Parties

FROM: Clifford W. Halpern  
State Controller



DATE: July 16, 1997

SUBJECT: *COFRS Closing Dates*  
*No Change in the Percentage Used to Calculate the Sick Leave Liability*  
*July 1, 1997 Fiscal Rule Supplement*  
*Customer Appreciation Day*  
*Reporting Estimated Losses Due to Fraud, Theft or Embezzlement*  
*Warrants for Petty Cash and Change Fund Reimbursement*

### COFRS Closing Dates

The following are COFRS month (period) end closing dates through June, 1998. Every attempt has been made to balance the need for timely financial reports and agency need for time to analyze accounts to ensure an accurate close.

Period	Month	Closing Date
01	July	8/15/97
02	August	9/12/97
03	September	10/10/97
04	October	11/14/97
05	November	12/12/97
06	December	1/16/98
07	January	2/13/98
08	February	3/13/98
09	March	4/10/98
10	April	5/15/98
11	May	6/12/98
12	June (Prelim)	7/10/98 (subject to change)
13	June (Final)	7/31/98 (subject to change)

Please note the Period 6 closing date differs from the FY97 Closing and FY98 Opening Instructions as the earlier date in those instructions did not allow adequate time for quarter close. Questions about these dates may be directed to Dennis Wolfard at 303/866-3895.



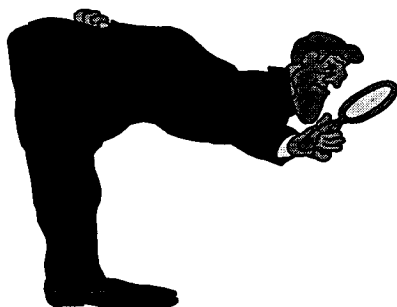
Page 82 of the FY96-97 Closing Instructions states that the percentage of current employees covered by PERA who are expected to retire from state services is currently estimated by PERA to be 63 percent. Several institutions of Higher Education expressed concern that this percentage was perhaps too high and asked our office to consider a lesser estimate based on different assumptions than those used by PERA. The State Controller's Office has reviewed PERA's methodology and believes the assumptions used were reasonable given the actuarial data available to PERA. Therefore, the percentage you should use to calculate the FY96-97 sick leave liability is 63 percent. We will, however, be meeting with PERA's actuaries early next year to see if other data can be developed that would provide an improved estimate for FY97-98.

July 1, 1997 Fiscal Rule Supplement

We understand there have been some problems ordering the July 1, 1997 supplement to the State Fiscal Rules. This supplement has been given its own commodity number (615-82-50-1997). We apologize for any inconvenience this may have caused you. To order an entire set of Fiscal Rules use commodity number 615-82-50-1005 and 615-82-50-1997. The Fiscal Rules can be viewed at our website and are also available on diskette by contacting Jody Pyott at 303/866-3281.

Customer Appreciation Day

The State Controller's Office will be hosting Customer Appreciation Day on September 5, 1997 from 9:00 a.m. until 4:00 p.m. We will have a variety of activities such as a Power Point demonstration, Internet viewing, graphs, charts, tours, snacks and special introductions of the State Controller and Deputy State Controller, just to name a few. Everyone is welcome so please plan to stop by and . . .



. . . look us over.

Reporting Estimated Losses Due to Fraud, Theft or Embezzlement

Statement on Auditing Standard No. 82, *Consideration of Fraud in a Financial Statement Audit* requires management to demonstrate they have sufficient knowledge of fraud (or absence of fraud) to identify risk factors. In order to gather this information, an exhibit format was proposed in a memorandum to department and institution controllers on May 1, 1997. Only two comments were received about this proposal. One suggested the reporting be delayed until December 31, 1998 for FY97-98. Another comment suggested information on losses was not available. Since this is precisely the condition the SAS was designed to overcome, managers, security staff, internal auditors and controllers should make an effort to understand where losses occur in their area of responsibility, estimate their magnitude and cause and use that information to design systems that limit losses to acceptable levels. Response to these suggestions and specifics on this new exhibit will be addressed by the State Controller's Office in consultation with the FY98 Closing and FY99 Opening Committee.

Warrants for Petty Cash Fund Reimbursement

The Department of Treasury cashier does not always have enough cash on hand to cash petty cash fund warrants especially since the limit was increased by HB1059. As an alternative, Treasury has made arrangements with Norwest Banks to have warrants of \$2,500 or less cashed by their tellers. The warrant should be made payable to the person cashing the warrant and that person should have some form of picture ID, a driver's license is preferred. **Do not make the warrant payable to "Petty Cash" or other non-person.** The second payee line (DBA line) may carry the designation "Petty Cash Custodian". Use the standardized vendor code "Agency code + 500000" already established for these reimbursements. If there are any problems with any particular branch of Norwest Bank please call Tom Hancock at 303/866-5649.